

FACT SHEET : 30-YEAR PURCHASE LOANS MARYLAND MORTGAGE PROGRAM

UPDATED
8/03/2022



MARYLAND MORTGAGE
Making Homeownership Affordable

This fact sheet includes standard Maryland Mortgage Program requirements, which apply generally for MMP purchase loans. See individual fact sheets for specific product overlays.

INTEREST RATE	Posted rates are subject to change daily or more frequently to reflect market changes (go to https://mmp.maryland.gov/Lenders/Pages/Interest-Rates.aspx for current rates). Once the loan is reserved in Lender Online, the rate is locked. The rate is fixed for the entire term of the loan.
RESERVATIONS	Must have a fully ratified contract of sale before loan is reserved. If transaction is a short sale transaction, third party (lender) approval is also required before loan is reserved.
ORIGINATION / DISCOUNT FEES	Zero points only. https://mmp.maryland.gov/Lenders/Directives/Directive2016-15.pdf
CDA INCOME LIMITS	Visit mmp.maryland.gov/Lenders/Pages/Income-and-Purchase-Limits.aspx to get current Income Limits and notes for variables. For RHS loans, limits are the lesser of the CDA income limits OR the RHS Guaranteed Program Income Limits.
MAXIMUM ACQUISITION COSTS	Visit https://mmp.maryland.gov/Lenders/Documents/Income-and-purchase-limits.pdf to get current Max. Acquisition Costs
CDA MAXIMUM LOAN AMOUNT (MLA)	<p>The CDA Maximum Loan Amount (MLA) is listed at https://mmp.maryland.gov/Lenders/Pages/Income-and-Purchase-Limits.aspx and it is updated yearly. It has the following exceptions:</p> <p>For FHA loans, the base loan amount plus the FHA Mortgage Insurance Premium (UFMIP) may not exceed the limit.</p> <p>For VA, the base loan amount plus the VA funding fee or conventional single premium mortgage insurance fee may not exceed the limit.</p> <p>For RHS, the lesser of the appraised value plus the upfront guarantee fee may not exceed the limit.</p>
FHA MAXIMUM MORTGAGE AMOUNT	Visit https://www.hud.gov/program_offices/housing/sfh to get current information.
MAXIMUM ASSETS	If assets exceed 20% of the purchase price, an Asset Test Worksheet (Attachment F) must be completed to determine the eligibility of the borrower
TERM	30-year amortizing mortgage
MAXIMUM LOAN TO VALUE (LTV)	<p>For FHA loans, base loan amount may not exceed 96.5% of the lesser of appraised value or purchase price + FHA UFMIP; For VA loans, base loan amount may not exceed 100% of the lesser of appraised value or purchase price + VA Funding fee;</p> <p>For RHS loans, base loan amount may not exceed 100% of the appraised value + the upfront guarantee fee (total 101%)</p> <p>Note: MMP has no CLTV limits for RHS/USDA loans; please refer to their guidelines.</p> <p>For conventional loans:</p> <ul style="list-style-type: none"> - <i>Automated underwrite</i>: loan amount (plus single premium mortgage insurance) may not exceed 97% of the lesser of appraised value or purchase price - <i>Manual underwrite</i>: loan amount (plus single premium mortgage insurance) may not exceed 95% of the lesser of appraised value or purchase price
MAXIMUM DEBT TO INCOME (DTI) RATIO	<p>Follow MMP, USB, FHA, RHS, VA and private mortgage insurers' underwriting guidelines and overlays, whichever is more restrictive. Generally:</p> <ul style="list-style-type: none"> • Manual underwriting for conventional loans – 36% (reserves required, FICO ≥680) • Automated underwriting for VA/RHS loans - 45% with FICO under 680; up to 50% for FICO ≥680 • Automated underwriting for FHA loans - 45% with FICO under 680; 50% for FICO ≥680 • Automated underwriting for Freddie Mac loans earns approved-eligible per LPA (45% with FICO under 680; 50% for FICO ≥680 up to 50% DTI) • Automated underwriting for Fannie Mae loans earns approved-eligible per DU (45% with FICO under 680; 50% for FICO ≥680 up to 50% DTI)



For more information, please visit:

mmp.Maryland.gov

Single Family Housing - Community Development Administration
Maryland Department of Housing and Community Development
7800 Harkins Road • Lanham, MD • 20706
SingleFamilyHousing.dhcd@maryland.gov
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FHA, VA and RHS loans:

- FHA: 640
- VA & RHS: 640
- *Manual underwriting is not allowed for FHA loans.*

MINIMUM REPRESENTATIVE CREDIT SCORE

Conventional loans:

Automated underwrite:

For loans with LTVs up to 97%: 640

- Must be run through the insurer's AUS (DU or LPA, as applicable) and receive an Approve/Eligible

Manual underwrite:

For loans with LTVs up to 95%

- 680 with two months of reserves and DTI less than or equal to 36%

For loans with LTVs between 95.01% and 97%: NOT PERMITTED

OTHER UNDERWRITING CRITERIA

Please refer to underwriting guidelines for US Bank at www.allregs.com and the GSEs in addition to any MMP Program guidelines.

MORTGAGE INSURER/ GUARANTOR

Fannie Mae, Freddie Mac, FHA, VA, RHS or private mortgage insurer

ELIGIBLE BORROWERS

For any 1st Time Advantage products, or Maryland SmartBuy, or Maryland HomeAbility; borrower(s) must be a first-time homebuyer (not owning a home ANYWHERE for the past three years) OR

- 1) one of the borrowers must be a veteran using their one-time exemption (copy of DD-214 required) or
- 2) borrower is purchasing a home in a Targeted Area (see <https://mmp.maryland.gov/Pages/targeted-Areas.aspx>);

For all Maryland Mortgage Program loans:

- Must occupy the property as their principal residence; non-occupant co-borrowers (co-signers) are not permitted;
- Total annual household income may not exceed Income Limit (see <https://mmp.maryland.gov/Lenders/Documents/income-and-purchase-limits.pdf>);
- Interest in real property (whether or not it is principal residence) must be sold or transferred prior to settlement on MMP loan;
- Non-borrowing spouse must meet the applicable guidelines (income, homeowner status, etc.).

Purchase Price

- Purchase price (plus capitalized ground rent (200 times the monthly ground rent), if applicable) may not exceed the Maximum Acquisition Cost listed at <https://mmp.maryland.gov/Lenders/Documents/income-and-purchase-limits.pdf>

Type of Property

- Existing homes;
- New construction (any residence less than a year old) – eligible only if located in a Priority Funding Area (PFA) → Municipalities, Baltimore City and areas inside the Baltimore and Washington beltways are PFA's. For new construction, confirm that the property is located in a PFA by using DHCD's mapping tool at <https://portal.dhcd.state.md.us/GIS/MMP/index.html> or by contacting christina.james@maryland.gov;
- Single-family, one-unit residences, including townhouses; detached and semi-detached homes; condominiums units; and modular or manufactured homes (if approved by US Bank).

ELIGIBLE PROPERTIES

Property Restrictions

Any land appurtenant to the residence which is not necessary to maintain the basic livability of the residence may not be financed with the proceeds of the Mortgage Loan. The lot size cannot exceed four acres; however, exceptions may be requested from Single Family Housing (SFH), through the Lender, for properties with septic and/or zoning considerations that require additional acreage. The maximum exception will not exceed ten acres. The Lender is to request an exception from the SFH Operations Manager listing the reason(s) why the exception should be made. The borrower's name, address and loan number along with any pertinent documentation is to be included with your written request. These requests are to be submitted to SFH as soon as the Lender is aware of the situation.

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HOMEBUYER EDUCATION	Mandatory for all borrowers Homebuyer education must be completed and a certificate issued through an approved provider prior to closing. Class must meet requirements of any funding source or insurer (see https://mmp.maryland.gov/Pages/Homebuyer-Education.aspx) Each borrower must be named on the certificate.
DOWN PAYMENT & CLOSING COST ASSISTANCE	The MMP assistance available depends on the first mortgage product that is chosen. See individual fact sheets for specifics. External sources of DPA may be utilized for some products. Insurer and servicer overlays, including CLTV, must be met.
SUBORDINATE LIEN	<ul style="list-style-type: none">- Permitted if it complies with insurer/guarantor requirements;- No shared lien or tacking/attaching secondary financing liens, conditions or riders to MMP Deed of Trust (must be an entirely separate subordinate lien recorded after the MMP Deed of Trust);- No deed covenants related to the secondary financing may be in Deed incorporating requirements of the secondary financing;- Terms of repayment must be incorporated into the underwriting of the MMP loan.- For conventional loans, secondary financing must meet insurer guidelines for and the CLTV may not exceed the lesser of 105% or the limit imposed by the mortgage insurer.
OTHER GUIDELINES	In addition to MMP guidelines, all requirements of the master servicer and insurer(s) must be met; whichever guideline is most stringent applies.



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